

MINUTES
ALABAMA REAL ESTATE APPRAISERS BOARD
RSA UNION BUILDING
100 NORTH UNION STREET
SUITE 370
MONTGOMERY, ALABAMA
November 9, 2001

MEMBERS PRESENT:

Mr. Gary Archer
Mr. Kenneth Keener
Mrs. Jane Mardis
Mr. Ronald Parker (arriving at 9:45 a.m.)
Mr. R.L. Farmer, Jr.
Mr. Steve Martin
Mr. Chester Mallory
Mr. Otis Stewart, Jr.
Mr. Wilder H. Cheney

OTHERS PRESENT:

Mr. J.W. Holland, Jr.
Mr. Ken Diehl
Mrs. Lisa Brooks
Mr. Barry Hollyfield
Ms. Neva Conway
Mr. Randy Robertson

- 1.0 With quorum present Mrs. Jane Mardis, Vice-Chairman called the meeting to order at 9:20 a.m. The meeting was held at the RSA Union Building, 100 N. Union Street, 3rd. Floor Conference Room, Montgomery, Alabama.
- 2.0 Members present were Mrs. Jane Mardis, Mr. Gary Archer, Mr. Ronald Parker (arriving at 9:45 a.m.), Mr. R. L. Farmer, Jr., Mr. Steve Martin, Mr. Otis Stewart, Jr., Mr. Wilder H. Cheney, Mr. Chester Mallory and Mr. Ken Keener.
- 3.0 On motion by Mr. Cheney and second by Mr. Archer the regular minutes for October 12, 2001 were approved as written. All in favor, motion carried.
- 3.2 Ms. Conway included in the Board books an order for continuance in the Jones vs. Siegelman case.

Ms. Conway included a motion for continuance in the cases of Mr. Charles R. Higgins and Mr. Donald W. Manuel for Board information. These cases are reset for December.

Ms. Conway informed the Board that possible litigation could be filed against the Board resulting from the executive session at the October Board meeting. Ms. Conway reminded the Board that anything discussed in executive session should not be discussed with anyone who was not in the executive session.

- 4.0 Ms. Conway informed the Board of a possible Special Session in December.

Mrs. Mardis informed the Board that there was a new draft to the Disclosure Bill that would be introduced in the Ways & Means Committee that looked very promising.

Mr. Holland informed the Board that during the October meeting in Orange Beach he talked with one of our guests/appraisers Rep. William Clark regarding our Bill.

- 5.0 On motion by Mr. Parker and second by Mrs. Mardis the following applications were voted on as listed. All in favor, motion carried.

- 5.1 **Trainee Real Property Appraiser applications approved:** Richard N. Craig, Lori Daniel, Janet L. Forester, James T. Hulsey, Gregory B. Kelley, Gregory R. Patin, Laura L. Stephens.

- 5.2 **State Registered Real Property Appraiser applications approved:** Laura J. Birmingham.

- 5.3 **Licensed Real Property Appraiser applications approved:** Mark Jackson (Recip.). **Applications deferred:** Roland N. Coan, Christopher W. Smith.

- 5.4 **Certified Residential Real Property Appraiser applications deferred:** K. Darryl Jackson, John K. Knight.

- 5.5 **Certified General Real Property Appraiser application approved:** Terry J. Broussard (Recip.), Bradley M. Smith (Recip.), John P. Sparkman (Recip.), Joseph L. Walker (Recip.), Martin Winfree (Recip.), Cheryl L. Worthy-Pickett (Recip.), Steven M. Zenkovich (Recip.). **Application deferred:** Christopher A. Baker.

6.0 Mr. Mallory gave financial report informing the Board that we were 8% into the fiscal year and 8% into budget expenditures. Mr. Holland informed the Board that at this time interest was down, receipts were down, and education was down because this was not a renewal year. Mr. Holland also indicated there were no negative trends or patterns at this time. Mr. Holland also informed the Board that the entry for personnel expenses was incorrect on the printout and should be approximately \$27,000. On motion by Mr. Keener and second by Mr. Archer the Board voted to accept the financial report as read. All in favor, motion carried.

6.1 On motion by Mr. Farmer and second by Mr. Keener the following education courses and instructor recommendations were approved or denied as indicated:

AMERICAN SOCIETY OF FARM MANAGERS & RURAL APPRAISERS

(C.E.) Fundamentals of Rural Appraisal Internet (A-101) – 46 Hours – **Approved for C.E. Only**
(Approved Instructor: Howard Audsley)

INTERNATIONAL ASSOCIATION OF ASSESSING OFFICERS

Mr. William Gibbs is seeking approval to teach the previously approved Course 101-Fundamentals of Real Estate Appraisal – **Approved**

MCKISSOCK DATA SYSTEMS

(C.E.) Factory Built Housing – Virtual Classroom – 7 Hours – **Denied**
(Denied Instructor: Richard McKissock)

NORTHEAST ALABAMA COMMUNITY COLLEGE

(LIC) Real Estate Certification Course – 50 Hours – **Approved**
(Approved Instructor: Dr. John Caylor)

6.2 The Board reviewed the following disciplinary report, which was included in their Board books. On September 17, 2001 a Letter of Warning was issued to a Certified Residential Real Property Appraiser in connection with the appraisal of a single-family residential property in which he signed as the supervising appraiser. Any Letter of Warning is an information disciplinary action and will be a permanent document maintained in the investigative file. This disciplinary action will be considered in any future discipline proceeding. The USPAP violations identified in the appraisal report are detailed as follows: Licensee failed to provide descriptive narrative in support of the 15-year difference between the actual age and estimated effective age of the subject property; failed to provide a summary of the information considered and the reasoning that

supports the analysis, opinions, and conclusions; failed to provide meaningful statements in support of the Sales Comparison Approach Value conclusion; failed to provide sufficient explanation and support of the adjustments applied in the Sales Comparison Approach analysis grid; in the Sales Comparison Approach the basement baths are adjusted twice resulting in double adjustment to comparable sales 1 and 3; failed to provide narrative to explain the increase in value in the Cost Approach from the appraisal report signed on January 10, 2000 to the corrected appraisal report signed on January 12, 2000; and failed to provide relevant flood of waterfront property in the report.

On September 17, 2001 a Letter of Warning was issued to a Trainee Real Property Appraiser in connection with the appraisal of a single-family residential property in which he signed as the primary appraiser. The USPAP violations identified in the appraisal report are detailed as follows: Licensee failed to provide descriptive narrative in support of the 15-year difference between the actual age and estimated effective age of the subject property; failed to provide a summary of the information considered and the reasoning that supports the analysis, opinions, and conclusions; failed to provide meaningful statements in support of the Sales Comparison Approach Value conclusion; failed to provide sufficient explanation and support of the adjustments applied in the Sales Comparison Approach analysis grid; in the Sales Comparison Approach the basement baths are adjusted twice resulting in double adjustment to comparable sales 1 and 3; failed to provide narrative to explain the increase in value in the Cost Approach from the appraisal report signed on January 10, 2000 to the corrected appraisal report signed on January 12, 2000; and failed to provide relevant flood information of waterfront property in the report.

On September 17, 2001 a Letter of Warning was issued to a Licensed Real Property Appraiser in connection with the appraisal of a single-family residential property in which he signed as the primary appraiser. The USPAP violations identified in the appraisal report are detailed as follows: Licensee failed to provide descriptive narrative in support of the estimated effective age of the comparables used in the report having a similar effective age as the subject property when the actual age of the comparables range from 6 to 25 years and the actual age of the subject is 9 years; failed to support analysis, opinions, and conclusions in the Sales Comparison analysis with the Sales Comparison Value conclusion being inconsistent with the reconciliation statement in the report; failed to provide an explanation in the report and no data in the work file to support the site value comprising 59% of the Cost Approach value, failed to provide an explanation as to how the "As Is" Site Improvement value was derived, and failed to provide a summary statement which explains how the value for the "Extras" was derived; failed to provide sufficient

explanation and support for the adjustments applied in the Sales Comparison Approach analysis grid with the square footage of the garage reported on the URAR being inconsistent with the sketch included with the report; and failed to provide meaningful summary statement explaining the method used to estimate accrued depreciation for the subject in the Cost approach.

Mr. Holland discussed with the Board the status chart and notified the Board that the Appraisal Subcommittee would be auditing us in the new year and we would have to answer to all the old cases. He informed the Board that we would be making some radical changes to clean up the old cases and start moving all cases along quickly but definitely giving them the attention they needed.

Ms. Conway included in the Board books for Board information newspaper notifications on three different appraisers whose license's had been revoked.

Mr. Farmer asked Ms. Conway about the complaint that was discussed at the October Board meeting. Ms. Conway informed Mr. Farmer that it was a 2000 complaint which was filed with the Board office in February 2000 and brought before the Board members in April 2000 and was given to the investigative staff for a formal investigation in September 2000?????

6.2.1 The Board reviewed Probable Cause Report AB-00-21. On motion by Mr. Parker and second by Mrs. Mardis the Board found probable cause and voted to follow the investigators recommendation to proceed with a formal investigation. All in favor, motion carried.

Board reviewed Probable Cause Reports AB-00-96, AB-0097 and AB-00-98. On motion by Mr. Martin and second by Mr. Farmer the Board found probable cause and voted to follow the investigators recommendation to proceed with a formal investigation. All in favor, motion carried.

Board reviewed Probable Cause Report AB-01-24. On motion by Mr. Farmer and second by Mr. Archer the Board found probable cause and voted to follow the investigators recommendation to proceed with formal investigation. All in favor, motion carried.

Board reviewed Probable Cause Report AB-01-25. On motion by Mr. Farmer and second by Mr. Cheney the Board found probable cause and voted to follow the investigators recommendation to proceed with formal investigation. All in favor, motion carried.

Board reviewed Probable Cause Report AB-01-81, which was a Board initiated complaint. On motion by Mr. Mallory and second by Mr. Farmer

the Board found probable cause and voted to follow the investigators recommendation to proceed with formal investigation. All in favor, motion carried.

Board reviewed Probable Cause Report AB-01-82, which was a Board initiated complaint. On motion by Mr. Mallory and second by Mr. Farmer the Board found probable cause and voted to follow the investigators recommendation to proceed with formal investigation. All in favor, motion carried.

- 6.2.2 The Board reviewed anonymous complaint AB-01-72. On motion by Mr. Farmer and second by Mr. Martin the Board voted to defer. All in favor, motion carried.

The Board reviewed anonymous complaints AB-01-79 and AB-01-80. On motion by Mr. Farmer and second by Mrs. Mardis the Board voted to have staff write individual who send in the complaint to request additional information, if staff does not know who complainant is, dismiss. All in favor, motion carried.

- 6.2.3 Board reviewed negotiated settlement AB-01-70. On motion by Mr. Farmer and second by Mr. Stewart the Board voted to accept settlement. All in favor, motion carried.

- 6.3 No reciprocal agreements to report since last meeting.

- 6.4 The following reciprocal licenses were issued since last Board meeting: Terry J. Broussard (Recip.)(LA), Bradley M. Smith (Recip.)(GA), John P. Sparkman (Recip.)(MS), Joseph L. Walker (Recip.)(GA), Martin Winfree (Recip.)(GA), Cheryl L. Worthy-Pickett (Recip.)(GA), Steven M. Zenkovich (Recip.)(GA).

- 7.0 The temporary permit report was provided to the Board for their information.

- 8.0 Mr. Holland updated the Board on Ms. Jennifer Henderson health.

Mr. Holland updated Board of the hot topics at the AARO Conference. Mr. Holland informed the Board he was beat out by Mr. Rick Moon of the Mississippi Real Estate Appraisers Board for the Alternate Directors At Large position.

Mr. Diehl discussed with the Board the AQB Core Curriculum discussion at AARO.

Mr. Mallory informed the Board there was a discussion at an AARO meeting regarding Florida's reciprocal policies. Mr. Mallory informed the Board that Florida wanted to be more flexible with reciprocity.

Mr. Holland included in the Board books a draft of the proposed Trainee/Supervisor Policy. Mr. Holland asked the Board to carefully review and amend if needed in order to discuss at the December meeting. He also informed the Board that this would be in our Law not just a position.

Mr. Holland informed the Board that as of November 7, 2001 we have received approximately 88% of the renewals.

At 11:50 a.m. on motion by Mr. Parker and second by Mr. Cheney the Board went into Executive Session to discuss good name and character.

At 3:15 p.m. the Board went back into Regular Session.

The next meeting will be on December 14, 2001.

9.0 Meeting adjourned at 3:20 p.m.

Sincerely,

Lisa Brooks
Executive Secretary

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APPROVED: _____
Ronald Parker, Chairman